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C O N F I D E N T I A L SECTION 01 OF 02 SANAA 002032

SIPDIS

E.O. 12958: DECL: 07/23/2015

TAGS: PREL PGOV ECON KDEM KMCA KMPI YM DOMESTIC POLITICS SUBJECT: SALEH'S WITHDRAWAL: TO RUN OR NOT TO RUN?

REF: A. SANAA 1910

1B. SANAA 1571

Classified By: CDA Nabeel Khoury for reasons 1.4 b and d.

11. (C) Summary. President Saleh shocked many with his July 17 announcement that he would not be a candidate for reelection in 2006. His statement came days before the ROYG's decision to implement unpopular economic reforms resulting in hikes in oil and gas prices of over fifty percent. While recent riots have detracted attention from the President's surprise announcement, the question in political circles around the country remains whether or not Saleh is really serious and, if not, what is he up to? End Summary.

Can Saleh Be Serious?

12. (C) During a speech commemorating his 27 years in power, President Saleh stunned an audience of 1200 ministers, officials, tribal leaders and foreign diplomats on July 17 by announcing that he would not be a candidate for reelection in 12006. "It is time for the youth to step forward, proclaimed Saleh. "I will support any person from any party who believes he is able to rule the country but I will not nominate myself." CDA, present at the event, described the audience's murmurs of dissent with one man shouting out "No, this can't be! You can't leave us!" (ref A). Western diplomats chatted afterwards, and their consensus was that Saleh was bluffing.

Probably Not, So What's He Up To...?

13. (C) Serious political observers are skeptical, as was Post when Saleh told the Ambassador last month that he was old and tired and might not run in 2006. "Yemen is not an easy country to govern," complained Saleh, "it is like dancing in a circle of snakes." (ref B). While Saleh can certainly be unpredictable, it is highly unlikely that he would step down from power at a time when he is still very healthy and very much in charge. So, what is he up to?

...Deflecting Blame For Painful Economic Measures

13. (C) The timing of Saleh's announcement, not long before the lifting of oil subsidies and ensuing unrest, may suggest that he was trying to distance himself from the reform package. From the beginning, the ROYG has refused to take ownership of the IMF-WB recommended reforms, failing to properly lobby Parliament for passage or to explain the long-term economic benefits to the Yemeni people. Many observers suggest that Saleh hopes to blame others for the painful measures, and use the public outcry to get rid of unpopular Prime Minister Bajammal, and possibly other ministers.

...Setting The Stage for His Son

14. (C) Saleh's reference in his speech to handing over the reigns to Yemen's youth has led some to claim his motivation is to lay the groundwork for his son, Commander of the Republican Guard Ahmed Ali Saleh, to assume the Presidency. Ahmed Ali figures strongly into any succession scenario, but this theory does little to explain Saleh's recent move. Ahmed Ali will be 36 in September 2006, but the Yemeni Constitution stipulates a President must be 40 years of age or above. In a non-emergency situation, the Yemeni opposition and public would probably oppose strongly a constitutional amendment simply to allow for a Ahmed Ali candidacy in 2006. If Saleh is indeed intent on installing his son in power, he is not likely to set him up with such a divisive and inauspicious beginning.

...Calling the Opposition's Bluff

 $\P5$. (C) Although the ROYG may have been caught off guard by the violence and looting, significant public protest of the price hikes was anticipated. It is possible Saleh's

announcement was meant to call the opposition's bluff to run its own candidate, pressing home the point(by stopping the violence and then partially acceding to popular demands) that not only is he the only viable leader, but the only one capable of restoring and maintaining order in a crisis.

16. (C) Saleh's surprise announcement also coincides with the anticipated release of the opposition's Joint Meeting Party (JMP) coalition reform program, promised to be the first step in announcing a JMP candidate for President. By withdrawing from the race 14 months before the elections, Saleh may be trying to cripple his already weak opposition by calling their bluff, knowing full well they will be unable to nominate a viable candidate. What Saleh and many local observers expect is that rather than fielding their own candidate, that the opposition will actually nominate Saleh (as Islah did in the last election).

...Rising Above Politics and Saving the Day

17. (C) The public lacks trust in the ROYG and fears additional public revenue gained by lifting subsidies will be lost to official corruption. Saleh, we are told, has already succumb somewhat to public and tribal pressure, having decided, we believe, to partially rescind the price hikes. Some suggest he would do well to resign from the ruling GPC party and run as a populist candidate.

The Opposition Responds

- 18. (C) Yemen Socialist Party (YSP) representative to the JMP opposition coalition Abdul Ghani Khader shared his view with Emboffs on July 24. Khader pointed out that Yemen lacks the institutions necessary for a democratic transition. "Saleh knows this," he said. "He is sending a message to the people that it is either me or the flood. This whole thing is a lie," continued Khader. "Saleh knows there is no real opposition."
- 19. (C) Islah's JMP representative Mohammed Qahtan also shared with us his party's thinking. "It was a surprise and we are still making up our minds as to why he did it," said Qahtan, adding that some within the party believe the President is sincere. "Regardless of Saleh's motive and sincerity," Qahtan explained, "Islah is looking for anything we can do to make it real." As for JMP prospects for 2006, Qahtan confided that the coalition has yet to find a candidate, but, "Even if we did, and he won, the state (read: military) would not obey him."

Shaming Saleh into Making Good On His Word

110. (C) The ray of hope for pro-democracy advocates is that Saleh will be pressured into standing by his statement. Egyptian opposition "al-Ghad" leader Aiman Noor reportedly telephoned Saleh urging him not to retract his decision as it would "close all doors for peaceful reform." Other Yemeni and Arab journalists are trying to embarrass Saleh into standing by his statement by commending him as a "historical Arab leader" and urging him not to nominate his son in his place. A Kuwaiti liberal columnist wrote, "Mr. Saleh, please give us the Arab World's first former president!"

Comment

111. (C) Saleh is most likely motivated by a desire to force the opposition into nominating him. He is likely weary from the Saada conflict, pushing through economic reforms and opposition media criticism. In our view, however, Saleh has another presidential term left in him -- time he could use to properly groom and prepare his son to succeed him in 2013. End Comment.

Khoury